

Dear Friend,

I recently supported Wall Street Reform legislation that will help improve openness and transparency on Wall Street. For too long, some big banks took big risks with your money, knowing that taxpayers were there to bail them out when they failed.

This bill is a series of common-sense fixes, including rules to ensure that big banks can't gamble with other people's money, as well as creating a watchdog agency tasked with protecting your pocketbook from lenders' deceptive practices.

However, many people are asking: "How exactly does this affect me?" Here is a Q&A that might be helpful.

Question: How does the bill hold Wall Street accountable? What if my bank fails -- will the government be forced to pay for another bailout – using MY tax dollars?

Answer: From now on, no bank will be "Too Big to Fail." If a big bank or other large financial company threatens the financial system, the FDIC will be able to wind it down – and its cost will be borne by Wall Street firms, NOT the taxpayer. This means that there will never again be a taxpayer bailout for big banks and Wall Street. The consumer – you – will never have to pay to save a bank that failed because of irresponsibility and recklessness.

Question: I keep hearing about "the Volcker Rule." What is that?

Answer: The Volcker Rule will separate proprietary trading from the business of banking. This means that banks will no longer be allowed to own, invest in, or sponsor hedge funds, proprietary equity funds, or proprietary trading operations for their own profit. Their first focus will be on you and your finances – not their own.

Question: How does the bill protect individual consumers?

Answer: The bill will set up an independent Consumer Financial Protection Bureau, dedicated to enforcing high ethical standards in the financial community. Until now, there have been multiple regulators with diluted authority over the consumer financial marketplace. The Consumer Financial Protection Agency will establish one uniform system to monitor abusive financial practices, enact tougher anti-predatory lending measures, and reform credit rating agencies. The bureau will protect various types of consumers, including:

- Homebuyers: The new protection bureau will provide ongoing federal oversight on the mortgage market and ensure that borrowers are not being deceived or treated unfairly.
- Credit Cardholders: The new protection bureau will enforce the Credit Cardholder's Bill of Rights passed last year. It will also protect small businesses from unreasonable fees for using credit or debit cards, ensuring that user fees are proportional to the cost of processing transactions.
- Families enrolled in overdraft programs: Many credit cardholders are automatically enrolled in expensive overdraft programs. The new financial protection bureau will enforce new rules that give consumers a choice as to whether to join the overdraft program or not, protecting themselves from expensive fees.

For more information on the Wall Street Reform Act, please visit my website at <http://israel.house.gov>.

Sincerely,

Steve Israel
Member of Congress